


Quarterly rpt on consolidated results for the financial period ended 31 Jan 2018

ECO WORLD INTERNATIONAL BERHAD

Financial Year End	31 Oct 2018
Quarter	1 Qtr
Quarterly report for the financial period ended	31 Jan 2018
The figures	have not been audited

Attachments

 [EWIB - Q1-2018 results.pdf](#)
200.7 kB

Default Currency	Other Currency
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Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION 31 Jan 2018

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Jan 2018	31 Jan 2017	31 Jan 2018	31 Jan 2017
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	18	327	18	327
2	Profit/(loss) before tax	-18,755	-5,480	-18,755	-5,480
3	Profit/(loss) for the period	-16,418	-5,509	-16,418	-5,509
4	Profit/(loss) attributable to ordinary equity holders of the parent	-16,205	-6,062	-16,205	-6,062
5	Basic earnings/(loss) per share (Subunit)	-0.68	-2.46	-0.68	-2.46
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)		1.0400		1.0600

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

 **Announcement Info**

Company Name	ECO WORLD INTERNATIONAL BERHAD
Stock Name	EWINT
Date Announced	29 Mar 2018
Category	Financial Results
Reference Number	FRA-28032018-00011

ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
(Incorporated in Malaysia)

Interim Financial Report
31 January 2018

ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
(Incorporated in Malaysia)

Interim Financial Report - 31 January 2018

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ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JANUARY 2018

(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2018	31 JANUARY 2017
	RM'000	RM'000
Revenue	18	327
Direct expenses	(1,668)	(1,465)
Gross loss	(1,650)	(1,138)
Other income	6,939	398
Marketing expenses	(3,099)	(345)
Administrative and general expenses	(17,192)	(10,995)
Unrealised gain on foreign exchange	4,878	35,673
Finance costs	-	(16,586)
Share of results in a joint venture	(8,631)	(12,487)
Loss before tax	(18,755)	(5,480)
Taxation	2,337	(29)
Loss for the period	(16,418)	(5,509)
Other comprehensive loss, net of tax		
<i>Item that may be reclassified to profit or loss subsequently:</i>		
Exchange differences on translation of foreign operations	(36,832)	(15,503)
Total comprehensive loss for the period	(53,250)	(21,012)
(Loss)/Profit for the period attributable to:		
Owners of the Company	(16,205)	(6,062)
Non-controlling interests	(213)	553
	(16,418)	(5,509)
Total comprehensive (loss)/income for the period attributable to:		
Owners of the Company	(53,516)	(21,960)
Non-controlling interests	266	948
	(53,250)	(21,012)
Loss per share attributable to owners of the Company:		
Basic loss per share (sen)	(0.68)	(2.46)
Diluted loss per share (sen)	(0.68) *	N/A

* *Anti-dilutive*

N/A - Not applicable

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 October 2017 and the accompanying explanatory notes)

ECO WORLD INTERNATIONAL BERHAD

(Company No: 1059850-A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2018**

	As At 31 JANUARY 2018 (UNAUDITED) RM'000	As At 31 OCTOBER 2017 (AUDITED) RM'000
ASSETS		
Non-current assets		
Plant and equipment	7,660	7,169
Goodwill	126,302	126,302
Investment in a joint venture	82,216	104,907
Amount owing by a joint venture	1,240,157	1,089,481
Deferred tax assets	21,791	19,316
	1,478,126	1,347,175
Current assets		
Properties under development for sale	369,007	366,717
Trade and other receivables	11,752	5,400
Current tax assets	682	682
Cash, bank balances and deposits	795,919	992,388
	1,177,360	1,365,187
TOTAL ASSETS	2,655,486	2,712,362
EQUITY AND LIABILITIES		
Equity		
Share capital	2,592,451	2,592,451
Warrant reserve	276,418	276,418
Exchange translation reserve	(19,667)	17,644
Accumulated losses	(357,842)	(341,637)
Equity attributable to owners of the Company	2,491,360	2,544,876
Non-controlling interests	16,919	2,768
Total equity	2,508,279	2,547,644
Non-current liabilities		
Borrowings	47,145	48,684
Deferred tax liabilities	2,020	1,944
	49,165	50,628
Current liabilities		
Trade and other payables	16,559	16,067
Amount owing to a corporate shareholder of a subsidiary	2,712	16,340
Borrowings	77,386	79,913
Current tax liabilities	1,385	1,770
	98,042	114,090
Total liabilities	147,207	164,718
TOTAL EQUITY AND LIABILITIES	2,655,486	2,712,362
Net assets per share attributable to owners of the Company (RM)	1.04	1.06

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 October 2017 and the accompanying explanatory notes)

ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2018
(The figures have not been audited)

	← Attributable to owners of the Company →					Total	Non-controlling interests	Total equity
	← Non-distributable →			Distributable				
	Share capital	Share premium	Warrant reserve	Exchange translation reserve	Accumulated losses	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 November 2017	2,592,451	-	276,418	17,644	(341,637)	2,544,876	2,768	2,547,644
Total other comprehensive (loss)/income for the period	-	-	-	(37,311)	-	(37,311)	479	(36,832)
Loss for the period	-	-	-	-	(16,205)	(16,205)	(213)	(16,418)
Total comprehensive (loss)/income for the period	-	-	-	(37,311)	(16,205)	(53,516)	266	(53,250)
Issuance of preference shares by subsidiary to non-controlling interests	-	-	-	-	-	-	13,885	13,885
At 31 JANUARY 2018	2,592,451	-	276,418	(19,667)	(357,842)	2,491,360	16,919	2,508,279
At 1 November 2016	246,541	49,158	-	34,698	(222,514)	107,883	4,788	112,671
Total other comprehensive (loss)/income for the period	-	-	-	(15,898)	-	(15,898)	395	(15,503)
(Loss)/Profit for the period	-	-	-	-	(6,062)	(6,062)	553	(5,509)
Total comprehensive (loss)/income for the period	-	-	-	(15,898)	(6,062)	(21,960)	948	(21,012)
Transition to no-par value regime	49,158	(49,158)	-	-	-	-	-	-
At 31 JANUARY 2017	295,699	-	-	18,800	(228,576)	85,923	5,736	91,659

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 October 2017 and the accompanying explanatory notes)

ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2018

(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2018	31 JANUARY 2017
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before tax	(18,755)	(5,480)
Adjustments for:		
Non-cash items	4,305	(22,826)
Non-operating items	(6,670)	16,783
Operating loss before working capital changes	(21,120)	(11,523)
Changes in properties under development for sale	(12,589)	(5,339)
Changes in receivables	(3,183)	4,999
Changes in payables	644	(4,344)
Cash used in operations	(36,248)	(16,207)
Interest received	16	11
Tax paid	(906)	(89)
Net cash used in operating activities	(37,138)	(16,285)
Cash Flows From Investing Activities		
Purchase of plant and equipment	(1,115)	(735)
Proceeds from disposal of plant and equipment	1	27
Advances to a joint venture	(162,304)	(64,419)
Withdrawal/(Placement) of deposits, debt service reserve and interest service reserve accounts	142	(2,998)
Landholder duty	(269)	-
Interest received	6,923	9
Net cash used in investing activities	(156,622)	(68,116)
Cash Flows From Financing Activities		
Drawdown of borrowings	-	103,426
Advances from a shareholder	-	17,100
Repayment to former holding company	-	(1)
Advances from a corporate shareholder of a subsidiary	1,090	-
Finance costs	(2,795)	(16,133)
Listing expenses	-	(649)
Net cash (used in)/generated from financing activities	(1,705)	103,743
Net changes in cash and cash equivalents	(195,465)	19,342
Cash and cash equivalents at 1 November 2017/ 2016	986,680	7,719
Effect of exchange rate changes	(862)	1,014
Cash and cash equivalents at 31 January 2018/ 2017	790,353	28,075

ECO WORLD INTERNATIONAL BERHAD
(Company No: 1059850-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2018 (continued)
(The figures have not been audited)

	3 MONTHS ENDED	
	31 JANUARY 2018	31 JANUARY 2017
	RM'000	RM'000
Cash and cash equivalents comprise the following:		
Deposits	728,789	4,265
Cash and bank balances	67,130	37,662
	<u>795,919</u>	<u>41,927</u>
Less: Deposit pledged, debt service reserve and interest service reserve accounts	(5,566)	(13,852)
	<u>790,353</u>	<u>28,075</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 October 2017 and the accompanying explanatory notes)

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting, International Accounting Standard (“IAS”) 34, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 October 2017.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the year ended 31 October 2017, except for the adoption of the following Amendments to MFRSs, which are relevant to the Group and effective for annual periods beginning on or after 1 November 2017:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 12	Annual Improvements to MFRS Standards 2014-2016 Cycle

The adoption of the above Amendments to MFRSs is not expected to have a material impact to the Interim Financial Statements of the Group.

A2. Seasonal or Cyclical Factors

The business operations of the Group during the 3 months ended 31 January 2018 have not been materially affected by any seasonal or cyclical factors.

A3. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the 3 months ended 31 January 2018.

A4. Changes in Estimates

There were no material changes in estimates during the 3 months ended 31 January 2018.

A5. Debt and Equity Securities

There were no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares or resale of treasury shares during the 3 months ended 31 January 2018.

A6. Dividends Paid

There was no payment of dividend during the 3 months ended 31 January 2018.

A7. Segmental Reporting

The Group's operating and reportable segments are business units operating in different geographical locations:

- (i) United Kingdom - the areas of operation are principally property development activities and provision of advisory and project monitoring services;
- (ii) Australia - the area of operation is principally property development activities; and
- (iii) Malaysia - the areas of operation are investment holding and promotional and marketing services.

The segmental analysis for the 3 months ended 31 January 2018 is as follows:

	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Revenue					
External revenue	-	-	18	-	18
Inter-segment revenue	5,558	-	28	(5,586)	-
Total revenue	5,558	-	46	(5,586)	18
Segment results	(3,116)	(9,443)	(8,830)	-	(21,389)
Share of results in a joint venture	(8,631)	-	-	-	(8,631)
Depreciation	(68)	(185)	(299)	-	(552)
Unrealised gain on foreign exchange	-	3,369	1,509	-	4,878
Other income	57	45	6,837	-	6,939
Loss before tax	(11,758)	(6,214)	(783)	-	(18,755)
Taxation	(675)	2,596	416	-	2,337
Loss for the period	(12,433)	(3,618)	(367)	-	(16,418)
Main foreign currency					
	<i>GBP</i>	<i>AUD</i>	<i>RM</i>		
Exchange ratio of 1 unit of foreign currency to RM ⁽¹⁾	5.4786	3.1324	1.0000		
Segment assets					
	United Kingdom RM'000	Australia RM'000	Malaysia RM'000	Eliminations RM'000	Total RM'000
Segment assets	1,470,928	427,830	756,728	-	2,655,486
Segment liabilities	3,411	134,092	9,704	-	147,207
Main foreign currency					
	<i>GBP</i>	<i>AUD</i>	<i>RM</i>		
Exchange ratio of 1 unit of foreign currency to RM ⁽²⁾	5.4682	3.1428	1.0000		

Note:

⁽¹⁾ Average rates for the 3 months ended 31 January 2018.

⁽²⁾ Closing rates as at 31 January 2018.

A8. Significant Events after the End of the Interim Financial Period

There were no significant events after 31 January 2018 till 22 March 2018, the latest practicable date from the date of issue of this interim financial report other than as disclosed in Note B6(a).

A9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the 3 months ended 31 January 2018, except as follows:

- (i) On 8 November 2017, Fortune Quest Group Ltd (“Fortune Quest”), a wholly-owned subsidiary of the Company has incorporated a subsidiary, Eco World (Macquarie) Pty Ltd (“EcoWorld Macquarie”). EcoWorld Macquarie was incorporated in Australia as a limited by shares company under the Corporations Act 2001, with 100 ordinary issued and paid-up shares of AUD1.00 each. As a result, EcoWorld Macquarie became a wholly-owned subsidiary of the Company.
- (ii) Acquisition by Eco World Investment Co Ltd, a wholly-owned subsidiary of the Company, of 1 ordinary share of GBP1.00 each in Eco World Be Co Ltd (“EcoWorld Be”) on 23 November 2017. As a result, EcoWorld Be became a wholly-owned subsidiary of the Company.

A10. Fair Value of Financial Instruments

There were no gain or losses arising from fair value changes for all financial assets and liabilities during the 3 months ended 31 January 2018.

A11. Commitments and Contingencies

	As at 31/01/2018 RM'000
Approved and contracted for:	
- Commitment to acquire plant and equipment	46
- Commitment to fund a joint venture, Eco World-Ballymore Holding Company Limited (“EW-Ballymore Holding”) by way of share subscription and shareholder’s loans (<i>Note a</i>)	397,721
	397,721

Note a

The Company and the other joint venture partner are jointly committed to provide additional funding into EW-Ballymore Holding in the event that EW-Ballymore Holding is unable, on its own, to repay its banking facilities when due (“Increased Commitments”). The Increased Commitments shall be in the ratio of 75:25 based on the current proportion of the joint venture partners’ existing equity interests in EW-Ballymore Holding.

The Company’s share of the Increased Commitments is GBP90 million (equivalent to approximately RM492.14 million based on the exchange rate of GBP1.00 : RM5.4682 as at 31 January 2018). If funding in excess of the Increased Commitments is required to satisfy any claims from the banking facilities, the Company shall have the obligation to fund the excess amount should the other joint venture partner not fund its proportionate share. Any funding provided in excess of the Increased Commitments by one partner will result in a corresponding adjustment to the equity interest in the joint venture.

A12. Significant Related Party Transactions

	3 MONTHS ENDED 31/01/2018 RM'000
(i) Transactions with a joint venture	
- Advances to a joint venture	162,304
- Interest receivable	11,869
(ii) Transactions with wholly-owned subsidiaries of Eco World Development Group Berhad (“EW Berhad”) where a director of the Company is also a director of EW Berhad	
- Agent fees paid or payable	24
- Support service fees paid or payable	26
(iii) Transaction with a joint venture of EW Berhad where a director of the Company is also a director of EW Berhad	
- Rental paid or payable	248
(iv) Transaction with a company where a director has interest	
- Rental paid or payable	45
(v) Transaction with a company where a subsidiary director has interest	
- Consultancy fee paid or payable	68
(vi) Transaction with a corporate shareholder of a subsidiary company	
- Advances received	1,090
(vii) Transaction with related companies of GLL EWI (HK) Limited, a substantial shareholder of the Company	
- Interest received	8

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group Performance

	3 MONTHS ENDED		
	31/01/2018	31/01/2017	CHANGES
	RM'000	RM'000	RM'000
Revenue	18	327	(309)
Gross loss	(1,650)	(1,138)	(512)
(Loss)/Profit before interest and tax	(18,755)	11,106	(29,861)
Loss before tax	(18,755)	(5,480)	(13,275)
Loss for the period	(16,418)	(5,509)	(10,909)
Loss for the period attributable to owners of the Company	<u>(16,205)</u>	<u>(6,062)</u>	(10,143)

Revenue for the Group for 1Q 2018 was RM0.02 million, which was lower than the RM0.33 million reported in 1Q 2017. Gross loss for 1Q 2018 was RM1.65 million. The Group recorded a loss before tax ("LBT") of RM18.76 million for 1Q 2018, which was higher than the RM5.48 million reported for 1Q 2017.

The Group's revenue for 1Q 2018 arose from fees for marketing services rendered by a subsidiary to the Group's joint venture in respect of property sales of its projects in the United Kingdom.

Revenue and profits associated with the Group's property development activities will be recognised by its subsidiary and joint venture when the construction of the relevant units are completed and delivered in 3Q to 4Q 2018.

The LBT reported in 1Q 2018 was higher compared to 1Q 2017 due to a much larger unrealised gain on foreign exchange recorded in 1Q 2017.

B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter

	3 MONTHS ENDED		
	31/01/2018	31/10/2017	CHANGES
	RM'000	RM'000	RM'000
Revenue	18	27	(9)
Gross loss	(1,650)	(1,556)	(94)
Loss before interest and tax	(18,755)	(35,701)	16,946
Loss before tax	(18,755)	(35,701)	16,946
Loss for the period	(16,418)	(34,303)	17,885
Loss for the period attributable to owners of the Company	<u>(16,205)</u>	<u>(32,557)</u>	16,352

The Group's current quarter revenue of RM0.02 million was lower than the preceding quarter ended 31 October 2017. The Group's current quarter LBT was RM18.76 million, which was RM16.95 million lower than the preceding quarter ended 31 October 2017.

The higher LBT incurred in the preceding quarter ended 31 October 2017 was mainly due to payment of landholder duty arising from the acquisition of an 80% equity interest in Eco World-Salcon Y1 Pty Ltd by Fortune Quest.

B3. Sales Achieved and Prospects for the Current Financial Year

PROJECTS	LANDBANK AS AT 28/02/2018	4 MONTHS ENDED 28/02/2018			CUMULATIVE SALES	UNBILLED SALES
	Total (Acres)	Units launched	Units sold	Sales value RM'mil ⁽¹⁾	Total achieved RM'mil ⁽²⁾	Effective stake RM'mil ⁽³⁾
London ⁽⁴⁾	12.74	-	47	206	6,625	4,855
Sydney	1.18	-	11	29	862	847
Melbourne	0.53	-	4	8	241	189
Total	14.45	-	62	243	7,728	5,891

During the first four months of FY2018, the Group secured RM243 million sales with its existing three projects in London contributing RM206 million while those in Australia generated RM37 million. Whilst market conditions for prime London properties remain soft, demand at the mid-mainstream segment continues to be robust.

In this regard the Board is pleased to announce that EcoWorld International recently completed its proposed acquisition of a 70% stake in Be Living's 6 development sites (Stage 1 acquisitions) and development management platform as disclosed in Note B6(a). These acquisitions enabled the Group to gain access to 14.1 acres of land bank that has a potential to develop c. 4,300 residential units in Greater London and South East of England, with a gross development value of GBP1.1 billion. To be priced within the GBP500 psf to GBP800 psf range, the new sites complement EcoWorld International's existing products, which are priced from GBP800 psf to GBP1,500 psf, and provide opportunities for the Group to significantly grow its UK market share.

5 out of the 6 sites have secured planning consent which will enable the projects to be launched within the next 1-2 years. In addition, several projects have launched phases which can be made available for sale within the current financial year. EcoWorld International is also planning to pursue the forward sale of one or two Build-to-Rent (BTR) blocks within the other projects which will further contribute towards the Group's sales performance for FY2018. Based on additional sales to be achieved from the new Be Living sites, the Group has raised its sales target for FY2018 from RM2.0 billion to RM3.0 billion.

Meanwhile, construction works of the Group's existing London projects are well underway with two blocks of apartment in London City Island and one block in Embassy Gardens scheduled to be handed over in FY2018. Down south in Australia, the construction of West Village has commenced in the first quarter of FY2018 while that of Yarra One is expected to begin in mid-2018. Both projects are scheduled to be completed in 2020.

As at 28 February 2018, EcoWorld International's effective unbilled sales stand at RM5.891 billion. The upcoming handovers at London City Island and Embassy Gardens which are scheduled for handover in FY2018 will enable the Group (via its respective joint venture entities) to convert a significant portion of the unbilled sales into revenue, thereby allowing the Group to recognise its maiden profit in the current financial year.

On the corporate front, the Group targets to complete its acquisition of the Macquarie Park site in Sydney by late-2018. The Group has an option agreement to purchase 25 apartment units (out of 30 units) in a strata scheme that currently sits on the site. Negotiations with the owners of the remaining 5 units are underway. Located close to Sydney's second largest business district and one of the largest employment business and technology precincts in the Southern Hemisphere, the site is planned for redevelopment into a 125-unit residential apartment with a small component of retail with an estimated GDV of AUD139 million.

B3. Sales Achieved and Prospects for the Current Financial Year (continued)

EcoWorld International also proposes to acquire additional projects (Stage 2 sites as disclosed in Note B6(a)) from Be Living, as and when the relevant conditions precedents are met. Together with the 6 sites already acquired and Macquarie Park, this provides a healthy pipeline of new projects for the Group which augurs well for its future growth prospects and the long-term viability of its business model.

Notes:

- (1) Based on the exchange rate of GBP1.00 : RM 5.4491 and AUD1.00 : RM 3.0611 as at 28 February 2018.
- (2) Cumulative sales as at 28 February 2018 represent contracts exchanged of RM7.64 billion and reserved units of RM93 million.
- (3) Share of unbilled sales based on effective stake in joint venture and subsidiaries as at 28 February 2018 and excluding reserved units.
- (4) Excludes the 6 Be Living's sites recently acquired

B4. Variance of Actual Profit from Forecast Profit

There was no profit forecast published as at 31 January 2018.

B5. Taxation

Taxation comprises:

	3 MONTHS ENDED	
	31/01/2018	31/01/2017
	RM'000	RM'000
Current tax		
Malaysian tax		
- current quarter	6	552
Foreign tax		
- current quarter	540	-
- in respect of prior years	(1)	-
Deferred tax		
Malaysian tax		
- current quarter	(422)	(195)
- in respect of prior years	-	144
Foreign tax		
- current quarter	(2,460)	(472)
	<u>(2,337)</u>	<u>29</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate of 24% mainly due to the inclusion of certain non-taxable items in the income statement. Correspondingly, expenditure which relates to the derivation of non-taxable income by the Group has been treated as permanent losses for tax purposes.

B6. Status of Corporate Proposals

- (a) Save and except for the following corporate proposal, there are no other corporate proposals that have been announced by the Company which are not yet completed as at 22 March 2018:

- (i) On 8 November 2017, our Company entered into Heads of Agreement with Be Living Holdings Limited (“Be Living”) to acquire a 70% equity interest in 12 development projects in Greater London and the South East of England and a development management entity.

On 15 December 2017, Eco World Be Co Ltd, an indirect wholly-owned subsidiary of our Company, entered into a conditional sale and purchase agreement with Be Living to acquire 70% equity interests in Be Eco World Holdings Limited (“Assetco”) and Be Eco World Development Management Company Limited (“DMco”) (collectively, “Stage 1 Acquisition”).

- (ii) On 16 March 2018, the Stage 1 Acquisition was completed for a provisional purchase consideration of GBP63.76 million (equivalent to about RM348.47 million^(a)), which includes entities that hold 6 development projects. Assetco had on the same day entered into conditional sale and purchase agreements with Be Living for the acquisition of interests in entities that hold or will hold another 6 development projects (“Stage 2 Acquisition”). Please refer to the separate announcement dated 19 March 2018 for further details on the Stage 2 Acquisition.

- (iii) On 24 November 2017, Eco World (Macquarie) Pty Ltd (“EcoWorld Macquarie”), an indirect wholly-owned subsidiary of our Company, entered into a conditional put and call option agreement (“Option Agreement”) with the owners of 25 apartment units (“Vendors”) in respect of the acquisition of such units in the strata scheme comprised by Strata Plan 6481 (“Strata Scheme”), located at 1-3 Lachlan Avenue, Macquarie Park, Sydney, NSW 2113, Australia (“Properties”) for a purchase consideration of AUD33.8 million (equivalent to RM105.86 million^(b)).

On 5 February 2018, the Option Agreement has become unconditional. EcoWorld Macquarie therefore has the right to exercise the call option to buy the Properties from the Vendors by no later than 7 September 2018 (“Call Option Period”), or the Vendors have the right to exercise the put option to sell the Properties to EcoWorld Macquarie starting on the day after the Call Option Period ends and expiring 30 business days thereafter.

Upon the exercise of the call or put option under the Option Agreement, EcoWorld Macquarie will enter into a definitive sale and purchase agreement with each of the Vendors to purchase the Properties (“SPA”). The agreed form of the SPA is attached to the Option Agreement.

EcoWorld Macquarie intends to acquire all apartment units either through negotiation with the owners of the remaining 5 apartment units to reach an agreement or via the strata renewal process. The estimated total purchase consideration for all apartment units in the Strata Scheme is AUD40.0 million (equivalent to RM125.28 million^(b)).

EcoWorld Macquarie will commence the strata renewal process as soon as possible and run this process in tandem with negotiation with the owners of the remaining 5 apartment units to facilitate completion of the SPAs by the earlier of 9 November 2018 or a date that is 3 months after the date of notice by EcoWorld Macquarie to the Vendors requiring early settlement.

B6. Status of Corporate Proposals (continued)

Notes:

- (a) Based on the exchange rate of GBP1.00 : RM5.4654 as at 16 March 2018, being the last full market day prior to the announcement dated 19 March 2018.
- (b) Based on the exchange rate of AUD1.00 : RM3.1320 as at 23 November 2017, being the last full market day prior to the announcement dated 24 November 2017.

- (b) Utilisation of IPO Proceeds as at 31 January 2018 are as follows:

Gross proceeds totalling RM2,584 million were raised from the IPO which was completed on 3 April 2017. The status of the utilisation of these proceeds is as set out below:

Purpose	Proposed utilisation RM'mil	Actual utilisation RM'mil	Re-allocation RM'mil	Balance unutilised RM'mil	Intended timeframe for utilisation from completed date
Debt repayment					
- Repayment of bank borrowings	1,211	(1,159)	(52)	-	Within 6 months
- Repayment of advances	156	(143)	(13)	-	Within 6 months
Subtotal	1,367	(1,302)	(65)	-	
Settlement of the acquisition of EW Investment	38	(38)	-	-	Within 1 month
Working capital and/or future land acquisition(s)	1,126	(485)	76	717	Within 36 months
Estimated listing expenses	53	(42)	(11)	-	Within 3 months
Total	2,584	(1,867)	-	717	

B7. Group Borrowings and Debt Securities

The total group borrowings and debt securities as at 31 January 2018 were as follows:

	As at 31/01/2018			As at 31/10/2017	
	Secured/ Unsecured	Foreign Currency '000		RM Equivalent '000	RM Equivalent '000
Short term borrowings	Secured	AUD	24,622	77,386	79,913
				77,386	79,913
Long term borrowings	Secured	AUD	15,000	47,145	48,684
				47,145	48,684
Total borrowings	Secured	AUD	39,622	124,531	128,597
				124,531	128,597

As at 31 January 2018, the Group's term loans comprise facilities based on floating rates to finance the projects in Australia and are denominated in AUD.

B8. Material Litigation

The Group was not engaged in any material litigation as at 22 March 2018, being the latest practicable date from the date of issue of this interim financial report.

B9. Dividends Declared

No dividend has been declared or recommended for payment by the Company during the 3 months ended 31 January 2018.

B10. Loss Per Share Attributable to Owners of the Company

(a) Basic loss per share attributable to owners of the Company

Basic loss per share has been calculated by dividing the Group's loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue. The weighted average number of ordinary shares in issue is calculated as follows:

	3 MONTHS ENDED	
	31/01/2018	31/01/2017
Loss for the period attributable to owners of the Company (RM'000)	(16,205)	(6,062)
Number of ordinary shares at beginning of the period ('000)	2,400,000	246,541
Effect of share issued pursuant to:		
- Issuance of ordinary shares ('000)	-	-
Weighted average number of ordinary shares ('000)	2,400,000	246,541
Basic Loss Per Ordinary Share (sen)	(0.68)	(2.46)

(b) Diluted loss per share attributable to owners of the Company

Diluted earnings per share has been calculated by dividing the Group's loss for the period attributable to owners of the Company by the weighted average number of ordinary shares that would have been in issue upon full exercise of the Warrants, adjusted for the number of such shares that would have been issued at fair value.

However, in the event that the potential exercise of the Warrants gives rise to an anti-dilutive effect on earnings per share, the potential exercise of the Warrants is not taken into account in calculating diluted earnings per share.

B10. Loss Per Share Attributable to Owners of the Company (continued)

	3 MONTHS ENDED	
	31/01/2018	31/01/2017
Loss for the period attributable to owners of the Company (RM'000)	(16,205)	(6,062)
Weighted average number of ordinary shares for Basic Loss Per Ordinary Share ('000)	2,400,000	246,541
Effect of potential exercise of Warrants ('000)	#	N/A
Weighted average number of ordinary shares ('000)	2,400,000	246,541
Diluted Loss Per Ordinary Share (sen)	(0.68)*	N/A

Notes:

The calculation of diluted loss per ordinary share does not assume the potential exercise of Warrants as the effect on loss per ordinary share is anti-dilutive

* *Anti-dilutive*

N/A - Not applicable

B11. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the year ended 31 October 2017 were unqualified.

B12. Notes to the Statement of Comprehensive Income

Comprehensive Loss has been arrived at after crediting/(charging):

	3 MONTHS ENDED 31/01/2018 RM'000
Interest income	6,939
Other income including investment income	N/A
Interest expense	N/A
Depreciation and amortisation	(552)
Provision for write off of receivables	N/A
Provision for and write off of inventories	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	N/A
Impairment of assets	N/A
Foreign exchange gain	2,055
Gain or loss on derivatives	N/A
Exceptional items	N/A

Notes:

N/A - Not applicable

By order of the Board

Tan Ai Ning
Company Secretary
29 March 2018